Retail Exempt Selling Guideline (version 7) proposed new conditions

Australian Energy Regulator

Prepared by

COTA Australia

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About COTA Australia

COTA Australia is the leading national peak body supporting and advocating for older Australians since 1958. COTA (Council on the Ageing) promotes the rights, interests and good futures of older Australians over 50.

Our broad agenda is focussed on challenging ageism, respecting diversity, and empowering people to live their best life as we age.

COTA Australia Energy Advocates is a panel of consumers, consisting of representatives from each State and Territory jurisdiction in the National Energy Market. The panel is coordinated by COTA Australia.

Authorised by:

Corey Irlam
Acting Chief Executive Officer
cirlam@cota.org.au

Prepared by:

COTA Australia Energy Advocates
cota@cota.org.au

COTA Australia
Suite 17B, 16 National Circuit
Barton ACT 2600
02 6154 9740
www.cota.org.au

Introduction

COTA Australia and its Energy Advocates appreciate the opportunity to provide feedback to the Australian Energy Regulator (AER) on the two stakeholder proposed conditions under consideration for inclusion in version 7 of the Retail Exempt Selling Guideline (Retail Guideline).

We commend the AER for inviting public consultation on the proposed conditions. We believe enabling customers in embedded networks access to energy ombudsman schemes is critical to improving customer outcomes and aligns with the AER's stated Compliance and Enforcement priorities. In relation to the proposed condition 2, we support the requirement for exempt sellers to refund any remaining account credits to customers upon termination of their energy supply agreement. We believe the enforcement of this practice would complement the AER's move to enhanced fairness and transparency.

Following is a more detailed discussion supporting our stance on each of the proposed conditions**.**

Proposed condition 1

- Requiring an exempt seller, who on-sells to residential customers, to include contact details of the relevant energy ombudsman scheme on their customers' energy bills.

We fully support this proposed condition.

From a customer perspective, the inclusion of energy ombudsman contact details on customer bills issued by exempt sellers represents a vital enhancement to customer protection within the energy market. We believe it is a critical and necessary addition which strengthens transparency, accountability as well as enhances customer empowerment in the energy market.

However, we see no compelling reasoning for exempting residential park owners with fewer than 30 permanent residents from proposed condition 1. While implementing this measure may necessitate a minor clerical adjustment, it is highly likely to be a one-time administrative task that, with the support of modern billing systems and technology, is neither complex nor financially burdensome.

Importantly, the customers living permanently in these smaller residential parks are very likely to be low-income households unable to secure other forms of accommodation. Plus, it is these customers who often face greater barriers to accessing information and resolving disputes. By inserting ombudsman contact details directly into energy bills, the AER is strengthening the customer protection landscape by promoting equitable access to information about independent support services – even to the most vulnerable members of the community.

We strongly advocate for the universal application of this requirement across all exempt sellers serving residential customers. We see the implementation of this condition as a *no brainer*.

If implemented, we believe the process changes needed could be achieved within three months with full compliance mandated for all residential exempt energy sellers or their billing agents.

Proposed condition 2

- Requiring an exempt seller to refund any credits applied to its customer's account upon termination of the customer's energy supply agreement.

We strongly support this proposed condition.

This condition highlights what we believe should be understood as a fundamental customer protection measure. We believe it is integral to upholding transactional fairness, transparency, as well as building residential customer trust in the energy market.

From our perspective, the acceptance of this condition underpins what should be recognised as a basic, consistently applied energy market principle – customers only pay for the services received and are repaid for any unused service proportion upon termination their energy supply agreement. Any practice that does not abide by this principle undermines the integrity of the energy sector.

We foresee the administrative effort required to process refunds being modest, particularly given the efficiency of modern billing systems. We assume exempt sellers would already maintain account records that would facilitate refunding the credits to customers upon termination of their energy agreement. As such, the condition imposes minimal operational burden while delivering significant customer benefit.